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**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

21 In re:
 22 USA COMMERCIAL MORTGAGE COMPANY,

23 Debtor.

24 Case No. BK-S-06-10725 LBR
 25 Case No. BK-S-06-10726 LBR
 26 Case No. BK-S-06-10727 LBR
 27 Case No. BK-S-06-10728 LBR
 28 Case No. BK-S-06-10729 LBR

29 In re:
 30 USA CAPITAL REALTY ADVISORS, LLC,

31 Debtor.

32 Chapter 11

33 In re:
 34 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 35 Debtor.

36 **Jointly Administered Under
 37 Case No. BK-S-06-10725 LBR**

38 In re:
 39 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 40 Debtor.

41 **MONTHLY OPERATING REPORT
 42 FOR MAY 2006
 43 (AFFECTS USA SECURITIES, LLC)**

44 In re:
 45 USA SECURITIES, LLC,
 46 Debtor.

47 Affects:

48 All Debtors
 49 USA Commercial Mortgage Company
 50 USA Capital Realty Advisors, LLC
 51 USA Capital Diversified Trust Deed Fund, LLC
 52 USA First Trust Deed Fund, LLC
 53 USA Securities, LLC

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re: USA Securities, LLC

Case No. 06-10729-LBRCHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 05/31/06PETITION DATE: 04/13/06

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here, the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$L

	End of Current Month	End of Prior Month	As of April 13, 2006	Cumulative (Case to Date)
2. Asset and Liability Structure				
a. Current Assets	\$21,780	\$19,128		
b. Total Assets - See Note 2 below	\$21,780	\$19,128		
c. Current Liabilities	\$0	\$0		
d. Total Liabilities - See Note 2 below	\$0	\$0		
3. Statement of Cash Receipts & Disbursements for Month	Current Month	Prior Month		Cumulative (Case to Date)
a. Total Receipts	\$4,712			\$4,712
b. Total Disbursements	\$0	\$0		\$0
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$4,712	\$0		\$4,712
d. Cash Balance Beginning of Month	\$17,068	\$17,068		\$17,068
e. Cash Balance End of Month (c + d)	\$21,780	\$17,068		\$21,780
	Current Month	Prior Month		Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations				
5. Account Receivables (Pre and Post Petition)	\$0			
6. Post-Petition Liabilities	\$0			
7. Past Due Post-Petition Account Payables (over 30 days)	\$0			

At the end of this reporting month:

8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) Yes No

9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) Yes No

10. If the answer is yes to 8 or 9, were all such payments approved by the court? Yes No

11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) Yes No

12. Is the estate insured for replacement cost of assets and for general liability? Yes No

13. Are a plan and disclosure statement on file? Yes No

14. Was there any post-petition borrowing during this reporting period? Yes No

15. Check if paid: Post-petition taxes: ; U.S. Trustee Quarterly Fees: ; Check if filing is current for: Post-petition tax reporting and tax returns:
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 6/20/2006 0:00

Responsible Individual

STATEMENT OF OPERATIONS**(General Business Case)**For the Month Ended 05/31/06

Current Month			Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance		
		\$0		
\$0	\$0	\$0		
\$0	\$0	\$0		
\$0	\$0	\$0		
		\$0		
		\$0		
		\$0		
		\$0		
\$0	\$0	\$0	10 Total Revenues	\$0
			Expenses:	
		\$0	11 Compensation to Owner(s)/Officer(s)	
		\$0	12 Salaries	
		\$0	13 Commissions	
		\$0	14 Contract Labor	
		\$0	Rent/Lease:	
		\$0	15 Personal Property	
(\$2,651)		\$2,651	16 Real Property	(\$2,651)
		\$0	17 Insurance	
		\$0	18 Management Fees	
		\$0	19 Depreciation	
		\$0	Taxes:	
		\$0	20 Employer Payroll Taxes	
		\$0	21 Real Property Taxes	
\$7,676		(\$7,676)	22 Other Taxes	\$7,676
		\$0	23 Other Selling	
\$174		(\$174)	24 Other Administrative	\$174
		\$0	25 Interest	
\$52,724		(\$52,724)	26 Other Expenses: <u>Legal</u>	\$52,724
		\$0	27	
		\$0	28	
		\$0	29	
		\$0	30	
		\$0	31	
		\$0	32	
		\$0	33	
		\$0	34	
\$57,923	\$0	(\$57,923)	35 Total Expenses	\$57,923
(\$57,923)	\$0	(\$57,923)	36 Subtotal	(\$57,923)
			Reorganization Items:	
		\$0	37 Professional Fees	
		\$0	38 Provisions for Rejected Executory Contracts	
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case	
		\$0	40 Gain or (Loss) from Sale of Equipment	
		\$0	41 U.S. Trustee Quarterly Fees	
		\$0	42	
\$0	\$0	\$0	43 Total Reorganization Items	\$0
(\$57,923)	\$0	\$0	44 Net Profit (Loss) Before Federal & State Taxes	(\$57,923)
			45 Federal & State Income Taxes	
(\$57,923)	\$0	\$0	46 Net Profit (Loss)	(\$57,923)

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 05/31/06

Assets

		<u>From Schedules</u>	<u>Market Value</u>
	Current Assets		
1	Cash and cash equivalents - unrestricted		\$21,780
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$0
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8			
9	Total Current Assets		\$21,780
	Property and Equipment (Market Value)		
10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	
17		D	
18		D	
19		D	
20		D	
21	Total Property and Equipment		\$0
	Other Assets		
22	Loans to shareholders		
23	Loans to affiliates		
24			
25			
26			
27			
28	Total Other Assets		\$0
29	Total Assets		\$21,780

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages	_____
31	Payroll taxes	_____
32	Real and personal property taxes	_____
33	Income taxes	_____
34	Sales taxes	_____
35	Notes payable (short term)	_____
36	Accounts payable (trade)	A \$0
37	Real property lease arrearage	_____
38	Personal property lease arrearage	_____
39	Accrued professional fees	_____
40	Current portion of long-term post-petition debt (due within 12 months)	_____
41	Other: _____	_____
42	_____	_____
43	_____	_____
44	Total Current Liabilities	_____ \$0

45	Long-Term Post-Petition Debt, Net of Current Portion	_____
46	Total Post-Petition Liabilities	_____ \$0

Pre-Petition Liabilities (allowed amount)

47	Secured claims	F \$0
48	Priority unsecured claims	F _____
49	General unsecured claims - See Note 2 on Summary	F _____
50	Total Pre-Petition Liabilities	_____ \$0

51	Total Liabilities	_____
----	--------------------------	-------

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing	_____
53	Capital Stock	_____
54	Additional paid-in capital	_____
55	Cumulative profit/(loss) since filing of case	_____
56	Post-petition contributions//(distributions) or (draws)	_____
57	Market value adjustment	_____
58	_____	_____
59	Total Equity (Deficit)	_____ \$0
60	Total Liabilities and Equity (Deficit)	_____ \$0

SCHEDULES TO THE BALANCE SHEET

(General Business Case)

Schedule A
Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days			
31-60 Days			
61-90 Days			
91+ Days			
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B Inventory/Cost of Goods Sold

<u>Types and Amount of Inventory(ies)</u>	<u>Inventory(ies)</u> <u>Balance at</u> <u>End of Month</u>	<u>Cost of Goods Sold</u>
Retail/Restaurants - Product for resale	_____	Inventory Beginning of Month Add - Net purchase _____ Direct labor _____ Manufacturing overhead _____ Freight in _____ Other: _____ Less - Inventory End of Month _____ Shrinkage _____ Personal Use _____
Distribution - Products for resale	_____	
Manufacturer - Raw Materials Work-in-progress Finished goods	_____ _____ _____	
Other - Explain	_____	Cost of Goods Sold _____ \$0
TOTAL	\$0	

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly

Monthly

Quarterly

Date of last physical inventory was

Date of next physical inventory is

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost

LIFO cost

Lower of cost or market

Retail method

Other

Explain

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
Total	\$0	\$0

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Total	\$0	\$0
Furniture & Fixtures -		
Total	\$0	\$0
Office Equipment -		
Total	\$0	\$0
Leasehold Improvements -		
Total	\$0	\$0
Vehicles -		
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Taxes	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Schedule F
Pre-Petition Liabilities

List Total Claims For Each Classification -	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims - See Note 2 on Summary Page		

(a) List total amount of claims even if under secured.
 (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Bank of America			
Account Type	Analyzed Checking			
Account No.	3755532448			
Account Purpose	General			
Balance, End of Month	\$21,780			
Total Funds on Hand for all Accounts	<u>\$21,780</u>			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 05/31/06**

		Actual <u>Current Month</u>	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Return of Security Deposits	\$4,712	\$4,712
8			
9			
10			
11			
12	Total Cash Receipts	<u>\$4,712</u>	<u>\$4,712</u>
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
19	Rent/Lease:		
20	Personal Property		
21	Real Property		
22	Amount Paid to Owner(s)/Officer(s)		
23	Salaries		
24	Draws		
25	Commissions/Royalties		
26	Expense Reimbursements		
27	Other		
28	Salaries/Commissions (less employee withholding)		
29	Management Fees		
30	Taxes:		
31	Employee Withholding		
32	Employer Payroll Taxes		
33	Real Property Taxes		
34	Other Taxes		
35	Other Cash Outflows:		
36			
37			
38	Total Cash Disbursements:	<u>\$0</u>	<u>\$0</u>
39	Net Increase (Decrease) in Cash	<u>\$4,712</u>	<u>\$4,712</u>
40	Cash Balance, Beginning of Period	<u>\$17,068</u>	<u>\$17,068</u>
41	Cash Balance, End of Period	<u>\$21,780</u>	<u>\$21,780</u>

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 05/31/06

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
	Cash Flows From Operating Activities		
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received		
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Return of Security Deposits	(\$4,712)	(\$4,712)
22			
23			
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$4,712	\$4,712
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$4,712	\$4,712
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$4,712	\$4,712
45	Cash and Cash Equivalents at Beginning of Month	\$17,068	\$17,068
46	Cash and Cash Equivalents at End of Month	\$21,780	\$21,780